

The YWCA of Eastern Union County, Inc.
Financial Statements and Supplementary Information
For the Year Ended December 31, 2020
(with comparative totals for 2019)



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zbt Certified Public Accounting
& Consulting, LLC

11 Broadway
Clark, New Jersey 07066

info@zbtcpa.com
www.zbtcpa.com

Telephone: 732.815.9800
Facsimile: 732.815.9897

Independent Auditor's Report

To the Board of Directors
The YWCA of Eastern Union County, Inc.
Elizabeth, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the YWCA of Eastern Union County, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YWCA of Eastern Union County, Inc., as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the YWCA of Eastern Union County's Inc.'s 2019 financial statements, and our report dated September 8, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of New Jersey Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, No. 15-08-OMB, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2021, on our consideration of the YWCA of Eastern Union County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the YWCA of Eastern Union County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering YWCA of Eastern Union County, Inc.'s internal control over financial reporting and compliance.

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Certified Public Accounting & Consulting, LLC

Clark, New Jersey

October 18, 2021

YWCA of Eastern Union County, Inc.
Statement of Financial Position
December 31, 2020
(with comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
Assets		
Cash and Cash Equivalents	\$ 1,991,265	\$ 1,201,937
Grants and Contracts Receivable	602,664	646,037
Pledge Receivable \$316,340, Less Allowance (\$18,613) at Net	297,727	-
Prepaid Expenses	12,824	17,491
Investments at Market	343,356	594,665
Property and Equipment - Net of Depreciation	1,148,944	842,639
Other Assets	<u>30,660</u>	<u>32,844</u>
TOTAL ASSETS	\$ <u>4,427,440</u>	\$ <u>3,335,613</u>
Liabilities and Net Assets		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 45,847	\$ 85,413
Accrued Payroll	<u>72,730</u>	<u>65,331</u>
TOTAL LIABILITIES	<u>118,577</u>	<u>150,744</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Undesignated	3,412,641	2,611,280
Designated by the Board for capital fund	<u>500,000</u>	<u>500,000</u>
	3,912,641	3,111,280
NET ASSETS WITH DONOR RESTRICTIONS:		
Program expenses	<u>396,222</u>	<u>73,589</u>
TOTAL NET ASSETS	<u>4,308,863</u>	<u>3,184,869</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>4,427,440</u>	\$ <u>3,335,613</u>

YWCA of Eastern Union County, Inc.
Statement of Activities and Net Assets
for the Year Ended December 31, 2020
(with comparative totals for 2019)

SUPPORT AND REVENUE:	Without Donor Restrictions	With Donor Restrictions	2020	2019
Government Grants and Contracts	\$ 2,810,063	\$ -	\$ 2,810,063	\$ 2,356,605
Donations, Contributions and In-Kind	1,152,792	-	1,152,792	658,276
Program Service Fees	52,892	-	52,892	82,347
Proceeds from Casualty Loss	135,700	-	135,700	258,104
Other Income	1,433	-	1,433	71,382
Special Events, Net of Expenses	130,878	-	130,878	132,633
Investment Income	46,531	-	46,531	105,511
	<u>\$ 4,330,289</u>	<u>\$ -</u>	<u>\$ 4,330,289</u>	<u>\$ 3,664,858</u>
Net Assets Released for Restrictions	<u>(322,633)</u>	<u>322,633</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>\$ 4,007,656</u>	<u>\$ -</u>	<u>\$ 4,330,289</u>	<u>\$ 3,664,858</u>
EXPENSES:				
Program Services	\$ 2,996,589	\$ -	\$ 2,996,589	\$ 2,914,877
Management and General	45,215	-	45,215	41,370
Fundraising	164,491	-	164,491	192,590
	<u>3,206,295</u>	<u>-</u>	<u>3,206,295</u>	<u>3,148,837</u>
Increase (Decrease) in Net Assets	801,361	322,633	1,123,994	516,021
Net Assets - Beginning of Year	<u>3,111,280</u>	<u>73,589</u>	<u>3,184,869</u>	<u>2,598,716</u>
Net Assets - End of Year	<u>\$ 3,912,641</u>	<u>\$ 396,222</u>	<u>\$ 4,308,863</u>	<u>\$ 3,114,737</u>

YWCA of Eastern Union County, Inc.
 Supplementary Schedule of Functional Expenses
 for the Year Ended December 31, 2020
 (with comparative totals for 2019)

	Residential, Outreach & FJC Programs	Management and General	Fund Raising	2020 Total	2019 Total
SALARIES, WAGES, AND EMPLOYEE BENEFITS					
Salaries and Wages	1,836,123	20,773	107,914	1,964,810	1,883,762
Payroll Taxes	171,814	1,761	9,489	183,064	177,990
Health Benefits	194,407	254	12,356	207,017	202,842
Pension and Workers Compensation Insurance	66,617	604	4,888	72,109	59,897
	<u>\$ 2,268,961</u>	<u>\$ 23,392</u>	<u>\$ 134,647</u>	<u>\$ 2,427,000</u>	<u>\$ 2,324,491</u>
Professional and Consulting	<u>\$ 69,200</u>	<u>\$ 13,786</u>	<u>\$ 9,030</u>	<u>\$ 92,016</u>	<u>\$ 110,321</u>
FACILITY COST					
Occupancy Rent and Supportive Housing Units	201,458	-	100	201,558	207,041
Occupancy-Utilities	25,418	-	-	25,418	47,314
Occupancy Services and Supplies	20,693	-	-	20,693	16,250
Insurance General Liability	40,387	-	-	40,387	29,435
Repairs and Maintenance	35,890	1,200	1,200	38,290	60,080
Equipment Rental	6,689	-	-	6,689	4,873
	<u>\$ 330,535</u>	<u>\$ 1,200</u>	<u>\$ 1,300</u>	<u>\$ 333,035</u>	<u>\$ 364,993</u>
OPERATING COST					
Telephone and Answering Service	17,115	-	-	17,115	17,149
Advertising and Printing	8,395	208	13,992	22,595	16,213
Training and Developmental Fees	2,315	8	195	2,518	4,822
Investment, Bank and Interest Fees	3,601	380	1,117	5,098	4,039
Dues and Subscriptions	20,758	2,001	2,251	25,010	25,162
Vehicle Expense	1,298	-	-	1,298	7,316
Donated and In-kind Services	86,032	-	-	86,032	115,345
Insurance	13,361	4,044	-	17,405	16,252
Travel Cost	743	4	35	782	16,260
	<u>\$ 153,618</u>	<u>\$ 6,645</u>	<u>\$ 17,590</u>	<u>\$ 177,853</u>	<u>\$ 222,558</u>
MATERIAL AND SUPPLIES					
Office Supplies and Equipment	13,443	157	1,509	15,109	22,694
Food	15	35	150	200	8,745
Supplies (Program)	3,521	-	265	3,786	5,505
Supplies In-kind	-	-	-	-	150
Client Assistance Food	12,107	-	-	12,107	2,033
Client Assistance Gift	10,775	-	-	10,775	3,090
Client Assistance	80,741	-	-	80,741	15,765
	<u>\$ 120,602</u>	<u>\$ 192</u>	<u>\$ 1,924</u>	<u>\$ 122,718</u>	<u>\$ 57,982</u>
Depreciation and Amortization	<u>\$ 53,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,673</u>	<u>\$ 68,492</u>
	<u>\$ 2,996,589</u>	<u>\$ 45,215</u>	<u>\$ 164,491</u>	<u>\$ 3,206,295</u>	<u>\$ 3,148,837</u>

YWCA of Eastern Union County, Inc.
Statement of Cash Flows
for the Year Ended December 31, 2020
(with comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,123,994	\$ 516,021
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	53,673	68,492
Realized gain (loss) on sales on investments	(17,141)	65,710
Unrealized gain (loss) on investments	<u>(16,299)</u>	<u>23,511</u>
(Increase)/Decrease in assets and liabilities:		
Grants and contracts receivable	43,373	217,881
Pledge Receivable	(297,727)	-
Prepaid expenses	4,667	10,037
Deferred income	-	(61,000)
Other assets	2,184	66
Accounts payable and accrued liabilities	(39,566)	(59,525)
Accrued payroll and related	<u>7,399</u>	<u>(17,571)</u>
Net cash used in operating activities	<u>864,557</u>	<u>763,622</u>
Cash Flows From Investing Activities:		
Acquisition of property and equipment	(359,978)	21,583
Change in investments	<u>284,749</u>	<u>(208,310)</u>
Net cash provided by investing activities	<u>(75,229)</u>	<u>(186,727)</u>
Net increase (decrease) in cash and restricted cash	789,328	576,895
Cash and restricted cash - beginning of year	<u>1,201,937</u>	<u>625,042</u>
Cash and restricted cash - end of year	<u>\$ 1,991,265</u>	<u>\$ 1,201,937</u>
Supplemental disclosure of cash flow information		
Donated stock	<u>\$ 5,739</u>	<u>\$ 5,299</u>
In-kind support	<u>\$ 96,807</u>	<u>\$ 120,618</u>
Net cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Net cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

NOTE 1: ORGANIZATION

The YWCA of Eastern Union County, Inc. (YWCA EUC) is a non-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The YWCA EUC offers shelter for women and children, outreach services, a 24-hour hotline and child services for clients. Program emphasis is on victims of domestic violence.

A contract to operate a Family Justice Center was executed by Union County and the YWCA effective September 1, 2017, when it opened. The Center opened in September 2017. The FJC is funded by the Union County Board of Chosen Freeholders and is located in space donated by Union County within the Union County Family Courthouse. Staffing is provided by the YWCA per the contract with the County, as well as through partnerships with public and nonprofit agencies through an executed MOU. The contract is an annual contract renewable over 4.5 years.

The principal sources of support for the YWCA EUC programs are funds received from non-profits and foundations as well as state, local and federal governments in the form of grants and contracts.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve.
- *Net Assets with Donor Restrictions* – Net assets subject to donor- (or certain grantor) – imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are releases when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

YWCA EUC has elected to present contributions with donor restrictions that are fulfilled in the same period within the net assets without donor restrictions class.

Revenue and Support Recognition

Contributions, including sponsorships, are recognized as revenue in the earlier of the period promised or received. Grants are recognized as revenue in the period such promises or agreements are made. Grants and contributions received are considered to be available for use

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2020 with comparative totals for 2019

Revenue and Support Recognition (continued)

unless specifically restricted by the grantor or donor. Amounts received that are designated for a future period, or are restricted by the grantor or donor for specific purposes, are reported as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Revenue from program fees is recognized as revenue when the events or programs are held. Deferred revenue represents advance payments received that are applicable to future periods. All other revenues are recognized when earned.

The Organization also receives donated services from volunteers and officers to support fundraising and other efforts. The value of these donated services is not included in these financial statements as they do not meet the criteria for recognition under non-profit accounting standards. For donated services meeting the criteria, they have been recorded as revenue with a corresponding expense.

At this time, management believes that ASC 606 did not have a material impact on its financial statements because existing contractual performance obligations, which determine when and how revenue is recognized, are not materially changed under ASC 606.

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31 of the prior year, from which the summarized information was derived.

Donated Material and Services

Donated services are reflected as contributions in the accompanying statements at their estimated values at the date of service. Donated services were utilized in the following areas:

	<u>2020</u>	<u>2019</u>
Gift Cards	\$ 10,775	\$ 3,090
Volunteer Services and Training	64,484	97,997
Program and Occupancy Supplies	-	150
Space	17,348	17,348
Professional Services	4,200	-
Food	-	<u>2,033</u>
	<u>\$ 96,807</u>	<u>\$ 120,618</u>

Grants and Contracts Receivable

Grants and contributions receivables represent unconditional amounts committed to YWCA EUC. All grants and contributions receivable are deemed to be fully collectible and are reflected at either net realizable value or at net present value based on projected cash flows. No discount was recorded on multi-year receivable during the years ended December 31, 2020 and 2019, due to immateriality. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience. Based on these reviews, management did not deem the use of an allowance for uncollectible receivables to be necessary at December 31, 2020 and 2019.

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2020 with comparative totals for 2019

Pledge Receivable

As a result of the need to rebuild after a fire in 2019, the organization embarked on a capital campaign. As of December 31, 2020, a total of \$316,340 was pledged over a five-year period ending in 2024. Since the pledges are to be received over the long term, accounting principles require the pledge be recognized at present value. Pledges to be collected in a year or less are recognized at full value. Management will review gross pledges annually to determine collectability. The organization uses the allowance method to record a reduction to the pledge receivable to account for funds that may not be collectible.

The pledge schedule for the capital campaign is:

2021	\$ 258,320
2022	43,620
2023	7,200
2024	<u>7,200</u>
Total	\$ 316,340
Less Allowance for Uncollectible:	\$ <u>18,613</u>
Total	<u>\$ 297,727</u>

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the statements of activities and changes in net assets. The Organization, in accordance with accounting standards, has determined that there are no uncertain tax positions as of the date of this report, October 18, 2021.

Property and Equipment

Property and equipment are stated at cost or, if donated, at approximately fair market value. Expenditures for equipment whose cost is under \$500 have been charged to expense as period costs in the statement of activities. Depreciation is computed using the straight-line method over the estimated useful life of the related assets, which are as follows:

Equipment - 5 Years
Furniture – 7 Years
Building and Improvements – 10 to 30 years

Investments

Investments in equity securities with readily determinable values are recorded at fair value in the statement of financial position and any unrealized gain or loss on investments is recorded in the statements of activities and changes in net assets.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, management considers cash in bank and liquid investments with maturities of three months or less to be cash equivalents. Cash equivalents consist of money market accounts maintained at a brokerage company. In June 2020 the Board designated \$500,000 as restricted for a capital fund.

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2020 with comparative totals for 2019

Concentration of Credit Risk

Financial instruments, which potentially expose the Organization to concentrations of credit risk, consist principally of cash and short-term investments. The Organization's policy is to place its cash investments with high credit quality financial institutions. Cash investments consist of bank deposits and money market funds. The Organization holds its cash and equivalents with institutions insured by the FDIC. These funds are insured up to \$250,000. At times throughout the year, the account balances may exceed the FDIC limit.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Expense Allocation

Expenses, such as salaries and fringe, as well as rent, are charged to programs on the basis of specific identification and periodic time and expense studies. Agency administration expenses include those not directly identifiable with any specific program and have been allocated in accordance with regulatory agency guidelines.

Subsequent Events

The Organization has evaluated events occurring after the balance sheet through the date of October 18, 2021 which is the date the financial statements were available to be issued.

The Organization's Elizabeth, NJ location was destroyed by a fire in September 2019. At the board meeting in November 2019 the Board of Directors voted to demolish the existing building and rebuild on the existing footprint. A builder and architect were retained and a draft construction budget was developed and has continued to be refined as construction plans have continued. The CEO and Director of Finance met with municipal leadership to secure approval to utilize the YWCA transitional house as temporary shelter. They received the certificate of occupancy and shelter license on August 6, 2020. The building in Elizabeth, NJ was demolished in August 2020 and the groundbreaking was September 2020. Foundation permits were obtained in November 2020 and basement excavation started. The ground was leveled at the end of 2020. Construction resumed the last week of February 2021 and is ongoing. The Organization continues to work with the public adjuster and insurance to obtain additional claim proceeds. The Organization expects to receive an additional \$169,400 in insurance proceeds for furniture and other costs. There is a pending claim for additional expenses to operate the temporary shelter in the amount of \$88,279. The success of the pending claim is unknown.

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's contributors and revenue, absenteeism in the Organization's workforce, and the inability to host events that fund operations.

Affiliations

The Organization is affiliated with the National YWCA and remits annual dues of \$13,455 for the year end December 31, 2020 and \$16,325 for the year end December 31, 2019.

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2020 with comparative totals for 2019

NOTE 3: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at cost, less accumulated depreciation at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 140,700	\$ 140,700
Furniture and Fixtures	79,124	58,850
Computer Equipment	83,843	103,558
Equipment	118,982	103,641
Buildings	813,541	520,825
Building Improvements	334,271	332,838
Vehicles	<u>64,417</u>	<u>64,417</u>
Total Cost	1,634,878	1,324,829
Accumulated Depreciation	<u>(485,934)</u>	<u>(482,190)</u>
Net Book Value	<u>\$ 1,148,944</u>	<u>\$ 842,639</u>

Depreciation expense was \$53,673 and \$68,492 for the years ended December 31, 2020 and 2019, respectively.

NOTE 4: 403(b) and RETIREMENT PLAN

The YWCA EUC maintain a 403(b) pension plan covering all eligible employees. The employees may contribute up to 15% of the employee's salary through a payroll deduction. The YWCA EUC provides a retirement plan through the YWCA Retirement Fund, Inc. Employees who work 1,000 hours or more for two consecutive years are eligible and are required to participate. The employer contributes to this plan 3% of the employee's salary. The employer contribution rate is set annually. Contributions from the YWCA EUC amounted to \$39,413 and \$32,754 for the years ended December 31, 2020 and 2019, respectively.

NOTE 5: INVESTMENTS

Investments are held at a financial institution and consist of a Certificate of Deposit and ETFs. All investments are measured at fair value in the statements of financial position. The change in fair value is reflected as unrealized gains or losses in the Statement of Activities. Donated investments are valued at fair market value as well.

At December 31, investment values included:

	<u>2020</u>	<u>2019</u>
Fair Value	\$ 343,356	\$ 594,666
Cost	<u>(299,157)</u>	<u>(566,765)</u>
Unrealized Gain (Loss)	<u>\$ 44,199</u>	<u>\$ 27,901</u>

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2020 with comparative totals for 2019

NOTE 5: INVESTMENTS (CONTINUED)

Fair values of assets measured on a recurring basis at December 31, 2020 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
12-month CD	\$104,967	\$104,967		
Exchange Traded Funds (ETFs)	<u>343,356</u>	<u>343,356</u>	-	-
Total	<u>\$448,323</u>	<u>\$448,323</u>	<u>\$ -</u>	<u>\$ -</u>

The one-year CD matured and was renewed May 2019 for one year at a rate of interest of 2.75%. It was renewed for one year in May 2020 at 2.75% and May 2021 at 1.30%. In 2020, the YWCA EUC had realized gains of \$17,141. During 2019, the YWCA EUC had a realized gain of \$65,710. Investment income earned was \$7,854 and \$16,432 for December 31, 2020 and 2019, respectively. Investment fees were \$2,260 and \$2,100 for December 31, 2020 and 2019, respectively.

NOTE 6: REFUNDABLE ADVANCES PAYABLE TO STATE OF NEW JERSEY

Grants for the Project Protect: Shelter Program, consist of the following:

N.J. Department of Community Affairs (as pass-through agency for U.S. Department of Housing and Urban Development) for acquisition and renovations	\$ 388,460
N.J. Department of Community Affairs - for acquisition	<u>145,750</u>
	<u>\$ 534,210</u>

In 2007, the YWCA EUC acquired a residence to serve as an emergency shelter facility for women and children victims of domestic violence. The transitional house was renovated from January to November, 2010. As of November 16, 2010, NJ Department of Community Affairs ("NJ DCA") granted permission to use the property as a transitional house, and the advance from the State of New Jersey was recognized as revenue. The N.J. Department of Community Affairs – Division of Housing holds a mortgage, dated May 31, 2007. The note provides that the outstanding balance will be due and payable to the N.J. Department of Community Affairs upon the sale, termination, or transfer of the Organization's interest in the property, or upon the cessation of the use of the property as a shelter facility. The Organization must maintain the transitional house for a period of ten years from the date placed in service (November 16, 2010). The Organization had classified \$534,210 as donor restricted in net assets, and recognized a release of \$53,421 of net assets each year until the 10-year period expired. Due to the fire at the Organization's Elizabeth, NJ location, the NJ DCA approved the use to be changed back to an emergency shelter. This refundable advance has been satisfied as of November 2020.

NOTE 7: CONTINGENT LIABILITY

As a condition to the State of New Jersey, Department of Human Services, Division of Youth and Family Services (DCP&P) Capital Grants, the YWCA EUC has agreed to maintain a shelter as a facility for the Division’s clients until August, 2023. The restriction is evidenced by promissory notes. Should the YWCA EUC cease providing its facility to the Organization’s clients effective immediately, it would be obligated to pay a total of approximately \$7,961 back to the Division. The liability is decreased by \$1,207 each year.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Pursuant to a Transitional Housing Program being funded by both private sources and government grants, beginning in 2006, the YWCA EUC entered into firm agreements to lease several apartments for program participants. The lease agreements in effect as of December 31, 2020 expire at various times throughout 2021 and 2022, and the monthly average apartment rent was \$8,722 and \$9,098 for 2020 and 2019, respectively. Most of the leases are for one year. Rent expense pursuant to the program was \$104,663 and \$109,170 for the years ended December 31, 2020 and 2019, respectively. Security deposits pursuant to these leases were \$10,192 and \$12,378 as of December 31, 2020 and 2019, respectively. According to the program agreements, participating tenants shall contribute a participant fee to the YWCA EUC during the period of occupancy. Future minimum lease payments are as follows:

Year Ending 2021	\$ 73,752
2022	<u>14,389</u>
	<u>\$ 88,141</u>

The average monthly rent and CAM charges was \$8,066. Total rent paid was \$96,795 and \$97,771 for the years ended December 31, 2020 and 2019, respectively.

A program and outreach office was leased April, 2010. In June, 2013, the lease was extended from March, 2015 to March, 2020. In 2020 the lease was verbally extended for three months, and the Organization then negotiated a month-to-month lease.

In August 2017, the Organization entered into a 3-year lease agreement for three copier machines for a monthly payment of \$443 per month. Copier lease payments in 2020 and 2019 was \$6,689 and \$4,873, respectively. In November 2020, the Organization entered into a new lease in the amount of \$484 per month for thirty-nine months. Future minimum lease payments are as follows:

2021	\$ 5,808
2022	5,808
2023	5,808
2024	<u>484</u>
Total	<u>\$17,908</u>

Line of Credit

The Organization renewed a line of credit with a bank in November 2020. The total amount available under this line was \$250,000. Interest on this line is 5%. As of December 31, 2020, and 2019, there were no amounts outstanding relating to this line of credit.

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2020 with comparative totals for 2019

NOTE 9: DEPENDENCY FOR FUNDING

The Organization receives most of its support in the forms of grants from the government sources, private foundations, and individuals. The continued operations of the Organization are contingent upon continued support from these sources. Government funding sources received in 2020 and 2019 were 68% and 61%, respectively, of total revenue. Contributions from individuals, private foundations and other program services received in 2020 and 2019 were 32% and 39%, respectively, of total revenue. Government funds derived from the NJ Division of Criminal Justice in 2020 and 2019 was 20.9% and 20.6%, respectively. Two funding sources represented 65% of the grants receivable as of December 31, 2020. Insurance proceeds received in 2020 was \$135,700.

NOTE 10: DONOR RESTRICTED NET ASSETS

Donor restricted net assets are comprised of the following as of December 31:

	<u>2020</u>	<u>2019</u>
State of New Jersey/DCA	\$ -	\$53,421
State of New Jersey/DCF	7,961	9,168
Individuals	77,161	5,000
Linden Presbyterian Church	100	-
Elizabethtown Gas	25,000	-
NJ State Bar	1,000	-
E.J. Grassman	25,000	-
The Westfield Foundation	135,000	6,000
The Hyde & Watson Foundation	100,000	-
The Union Foundation	25,000	-
	<u>\$ 396,222</u>	<u>\$73,589</u>

NOTE 11: LIQUIDITY, AVAILABILITY, AND RESERVES MANAGEMENT

YWCA EUC has \$2,338,790 of financial assets available within one year of the statement of financial position date. The grants and contributions receivable are subject to purpose and time restrictions, but will be collected with one year. As part of this liquidity management, YWCA EUC invests cash in excess of daily requirements in readily available investments.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 1,991,265
Grants and contributions receivable, current portion	602,664
Pledge receivable, net	297,727
Investments appropriated for current use	343,356
Total financial assets	<u>\$ 3,235,012</u>
Less amounts not available to be used within one year:	
Board-designated funds for capital project	\$ 500,000
Net assets with donor restrictions	<u>396,222</u>
	<u>\$ 896,222</u>
Financial assets available to meet general	
Expenditures over the next twelve months	<u>\$2,338,790</u>

NOTE 11: LIQUIDITY, AVAILABILITY, AND RESERVES MANAGEMENT (CONTINUED)

The Organization has a policy to structure its financial assets to be available as its expenditures, liabilities, and other obligations come due. In addition, the Organization has a \$250,000 line of credit available to meet cash flow needs. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution as well.

NOTE 12: SPECIAL EVENTS AND FUNDRAISING EXPENSES

As of December 31, 2020, and 2019, the gross proceeds for special events was \$161,800 and \$186,906, respectively; and expenses directly related were \$30,922 and \$54,273, respectively.

NOTE 13: RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

Lease Transactions

In February 2016, the FASB issued ASU 2016-02, Leases which is currently effective for fiscal years beginning after December 15, 2020 with early adoption permitted. In addition to expanded disclosure requirements regarding leasing activities, the new standard significantly changes current lessee accounting for operating leases. Under the new standard, all lessees will be required to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases of property and equipment, except for certain leases classified as short-term leases. The YWCA of Eastern Union County, Inc. has not adopted the new standard in these financial statements and is presently evaluating the effect the adoption will have on prospective financial statements.

On May 20, 2020, the FASB voted to delay the effective date of ASU 2016-012, Leases, and ASU 2014-09, Revenues from Contracts with Customers, for certain organizations. The concern was that certain organizations couldn't deploy funds or human capital in the adoption of accounting standards while they contend with the business disruptions caused by COVID-19. The FASB voted to delay the revenue recognition standard by one year for all private companies that have not yet issued financial statements or made those financial statement available for issuance. Private companies and private non-for-profits will now be required to adopt ASU 2016-02, Leases for fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted.

The FASB ASU requires nonprofits to present contribution nonfinancial assets as a separate line item in the statement of activities apart from contributions of cash or other financial assets along with expanded disclosure requirements. their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Management is evaluating the impact this ASU will have on its financial statements.

YWCA of Eastern B1:N67Union County, Inc.

Supplementary Schedule of Federal State and Local Financial Assistance
for the year ended December 31, 2020

(Memo
Only)
Cumulative
Expenditures
Through
12.31.20

	Federal ALN	Pass-thru Grantor's Number	Grant Award Amount	Grant Period	Funds Expended	(Memo Only) Cumulative Expenditures Through 12.31.20
US Department of Housing, Urban & Workforce Development						
Pass Through Union County:						
Supportive Housing Program	14.267	19-CoC-109	232,389	10/01/19 - 09/30/20	163,080	220,774
Supportive Housing Program	14.267	20-CoC-109	249,673	10/01/20 - 09/30/21	58,173	58,173
Subtotal for ALN 14.267			482,062		221,253	278,947
HES Grant Program	14.231	19-HES-108	16,074	08/01/19 - 07/31/20	11,665	16,074
HES Grant Program	14.231	20-HES-108	16,544	08/01/20 - 07/31/21	7,906	7,906
HES Grant Program	COVID-19 21.019	20-HESC-108	79,242	03/09/20 - 07/31/22	11,002	11,002
Subtotal			111,860		30,573	34,982
Pass Through City of Elizabeth:						
Emergency Shelter Grant Program	14.231	ESG-45	20,000	07/01/19 - 12/31/20	13,678	20,000
Subtotal			20,000		13,678	20,000
Subtotal for ALN 14.231			52,618		33,249	43,980
Community Development Block Grant	14.218	CDBG 45	13,110	07/01/19 - 06/30/20	6,663	13,110
Community Development Block Grant	COVID-19 21.019	CDBG 46	30,000	07/01/20 - 06/30/21	20,274	20,274
Subtotal			43,110		26,937	33,384
Pass through United Way of Union County:						
Emergency Food and Shelter Program FEMA	33-6034-00	FEMA Phase 37	7,533	05/01/20 - 12/21/20	7,533	7,533
Emergency Food and Shelter Program FEMA	COVID-19 21.019	FEMA Phase 37 Cares	18,958	05/01/20 - 12/21/20	18,958	18,958
Subtotal for ALN 33-6034-00			7,533		7,533	7,533
Community Development Block Grant	14.218	CDBG YR 45	11,058	09/01/19 - 08/31/20	11,058	11,058
Subtotal US Dept of Housing, Urban & Workforce Development			694,581		329,990	404,862
U.S. Department of Justice						
Office on Violence Against Women	16.590	2018-WE-AX-0025	406,052	10/01/18 - 09/30/21	116,213	141,923
Subtotal for ALN 16.590			406,052		116,213	141,923
Pass Through Trinitas Hospital						
TRAC Trinitas Hospital	16.575	HVP-08-18	175,987	08/01/19 - 09/31/21	3,227	3,227
Pass Through State of NJ Office of Attorney General						
State of NJ Div of Criminal Justice Court Advocate program	16.588	VAWA-71-18	45,000	07/01/19 - 06/30/20	21,363	32,428
State of NJ Div of Criminal Justice Court Advocate program	16.588	VAWA-79-19	45,000	07/01/20 - 06/30/21	22,575	22,575
State of NJ Div of Criminal Justice Bilingual DV Counselor	16.588	VAWA-70-18	45,000	07/01/19 - 06/30/20	26,729	39,660
State of NJ Div of Criminal Justice Bilingual DV Counselor	16.588	VAWA-78-19	45,000	07/01/20 - 06/30/21	28,804	28,804
State of NJ Div of Criminal Justice Bilingual Case Manager	16.588	VAWA-69-18	45,000	07/01/19 - 06/30/20	25,840	36,817
State of NJ Div of Criminal Justice Bilingual Case Manager	16.588	VAWA-77-19	45,000	07/01/20 - 06/30/21	27,827	27,827
State of NJ Div of Criminal Justice DVRT-VAWA	16.588	VAWA-30M-18	66,667	05/01/19 - 04/30/20	23,297	53,391
State of NJ Div of Criminal Justice DVRT-VAWA	16.588	VAWA-30-19	53,333	05/01/20 - 04/30/21	39,688	39,688
Subtotal for ALN 16.588			390,000		216,123	281,190
State of NJ Div of Criminal Justice Workforce Dev. Prog.	16.575	VAG-172-18	330,380	09/01/19 - 08/31/21	164,320	213,046
State of NJ Div of Criminal Justice DV Bilingual Counseling Prog.	16.575	VAG-170-18	368,014	09/01/19 - 08/31/21	188,318	231,849
State of NJ Div of Criminal Justice DV Residential Prog.	16.575	VAG-171-18	368,922	09/01/19 - 08/31/21	176,703	216,706
State of NJ Div of Criminal Justice Covid Emergency Housing	16.575	VCH-19-19	500,000	04/24/20 - 04/23/22	54,574	54,574
Subtotal for ALN 16.575			1,567,316		583,915	716,175
Subtotal US Dept of Justice Pass Through State of NJ			1,957,316		803,265	1,000,592

See accompanying accountant's audit report.

See accompanying notes to Schedule of Federal, State and Local Assistance

	ALN	Number	Amount	Period	Expended	12.31.20
Pass Through State of NJ Department of Agriculture						
Child and Adult Care Food Program	10.558	39-873	<u>22,709</u>	10/01/20 - 9/30/21	<u>5,631</u>	<u>5,631</u>
Subtotal State of NJ Dept of Agriculture			22,709		5,631	5,631
US Department of Health and Human Services						
Pass Through State of NJ						
State of NJ Dept of Children & Families Emergency COVID-19 Funds	21.019		102,500.00	-	102,500.00	102,500.00
State of NJ Dept of Children & Families FVPSA	COVID-19 21.019	20-EFXW	22,164.00	01/01/20 - 12/31/20	22,164.00	22,164.00
State of NJ Dept of Children & Families FVPSA Cares Act	COVID-19 93.671	20-EFXW	<u>63,000</u>	01/01/20 - 12/31/20	<u>63,000</u>	<u>63,000</u>
Subtotal US Department of Health and Human Services			187,664		187,664	187,664
TOTAL FEDERAL			\$ <u>3,444,309</u>		\$ <u>1,442,763</u>	\$ <u>1,740,672</u>

See accompanying accountant's audit report.

See accompanying notes to Schedule of Federal, State and Local Assistance

YWCA of Eastern Union County, Inc.
 Supplementary Schedule of State Financial Assistance
 for the year ended December 31, 2020

STATE OF NJ	Federal ALN	Pass-thru Grantor's Number	Grant Award Amount	Grant Period	Funds Expended	Cumulative Expenditures Through 12.31.20
State of NJ Dept of Children & Families DCP&P		20-EFXW	1,052,337	01/01/20 - 12/31/20	<u>1,052,337</u>	<u>1,052,337</u>
State of NJ Department of State NJ State Council on the Arts					<u>1,052,337</u>	<u>1,052,337</u>
Pass Through County of Union:						
Union County Office of Cultural & Heritage Affairs	N/A	N/A	2,400	01/01/19 - 12/31/19	-	600
Union County Office of Cultural & Heritage Affairs	N/A	N/A	2,100	01/01/20 - 12/31/20	<u>1,000</u>	<u>1,000</u>
					<u>1,000</u>	<u>1,600</u>
TOTAL STATE			<u><u>\$ 1,056,837</u></u>		<u><u>\$ 1,053,337</u></u>	<u><u>\$ 1,053,937</u></u>

See accompanying accountant's audit report.

See accompanying notes to Schedule of Federal, State and Local Assistance



zbt Certified Public Accounting
& Consulting, LLC

11 Broadway
Clark, New Jersey 07066

info@zbtcpa.com
www.zbtcpa.com

Telephone: 732.815.9800
Facsimile: 732-815-9897

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

Independent Auditor's Report

To the Board of Directors
The YWCA of Eastern Union County, Inc.
Elizabeth, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the YWCA of Eastern Union County, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered YWCA of Eastern Union County, Inc.'s ("YWCA EUC") internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YWCA EUC's internal control. Accordingly, we do not express an opinion on the effectiveness of the YWCA EUC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, or corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items that we consider to be material weaknesses: 2020-01.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether YWCA EUC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we did not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

zbt CPA & Consulting, LLC

zbt

Certified Public Accounting & Consulting, LLC
Clark, New Jersey
October 18, 2021



zbt Certified Public Accounting
& Consulting, LLC

11 Broadway
Clark, New Jersey 07066

info@zbtcpa.com
www.zbtcpa.com

Telephone: 732.815.9800
Facsimile: 732-815-9897

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08

To the Board of Directors
YWCA of Eastern County, Inc.
Elizabeth, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited YWCA of Eastern Union County, Inc.'s ("YWCA EUC") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of YWCA EUC's major federal and state programs for the year ended December 31, 2020. YWCA EUC's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, contracts, grants, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of YWCA EUC's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about YWCA EUC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of YWCA EUC's compliance.

Opinion on Each Major Federal and State Program

In our opinion, YWCA EUC complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of YWCA EUC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered YWCA EUC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of YWCA EUC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

zbt CPA & Consulting, LLC

zbt

Certified Public Accounting & Consulting, LLC
Clark, New Jersey
October 18, 2021

The YWCA of Eastern Union County, Inc.
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2020

Section 1 – Summary of Auditor’s Results

Financial Statements

- 1) Type of Auditor’s Report Issued **Unmodified**
- 2) Internal Control Over Financial Reporting:
- Material weakness(es) identified? __x__ Yes _____ No
 - Significant deficiency (ies) identified that are not considered material weaknesses? _____ Yes __x__ None Reported
- 3) Noncompliance material to the financial statements noted during the audit _____ Yes __x__ No

Federal Programs

- 1) Internal Control over Major Federal Programs:
- Material weakness(es) identified? _____ Yes __x__ No
 - Significant deficiency(ies) identified that are not considered material weakness? _____ Yes __x__ None Reported
- 2) Type of Auditor’s Report Issued on Compliance for Major Federal Programs **Unmodified**
- 3) Any audit findings disclosed that are required to be Reported in accordance with the Uniform Guidance _____ Yes __x__ No

4) Identification of Major Federal Programs:

<u>Program</u>	<u>ALN Number</u>
US Dept. of Justice (VAG)	16.575

- 5) Program Threshold Determination:
 Type A Federal Program Threshold > \$750,000
 Type B Federal Program Threshold ≤ \$750,000
- 6) Auditee qualified as a low-risk auditee under the Uniform Guidance No

Section 1- Summary of Auditor's Results (continued)

State Programs

1) Internal Control Over Major State Programs:

- Material weakness(es) identified? __x__ Yes _____ No
- Significant deficiency(ies) identified that are not considered material weakness? _____ Yes __x__ No

2) Type of Auditor's Report issued on compliance for Major state programs

Unmodified

3) Findings disclosed that are required to be reported in Accordance with N.J. OMB Circular 15-08

_____ Yes __x__ No

Identification of Major State Programs:

<u>Program</u>	<u>Identification Number</u>	<u>Grant Period From/To</u>	<u>Type</u>
Dept. Children and Family - Project Protect Div. of Family and Community Partn.	20-EFXW	1.1.20-12.31.20	A

* Family Violence Prevention and Services
\$63,000 of grant is from Family Violence Prevention and Service (ALN 93.671) via the U.S. Department of Health and Human Services

- 5) Program Threshold Determination:
Type A State Program Threshold > \$750,000
Type B State Program Threshold ≤ \$750,000

- 6) Auditee qualified as a low-risk auditee No

Section 2 – Financial Statement Audit Findings

2020-01

The bank reconciliations were not timely performed.

Criteria and Condition: Bank accounts were not timely reconciled. The accounts were reconciled two or more months after the month end. This could result in unauthorized disbursements or errors not being captured.

Context: While reading the bank statements and reconciliations, we noted they were not timely performed.

Cause: The monthly process was not timely performed.

Effect: This could result in unauthorized disbursements or errors not timely captured.

Recommendation: The organization should reconcile all accounts within one month of month end.

Views of Responsible Officials and Planned Corrective Actions: The bank accounts will be reconciled within one month of month end. The Interim Executive Director will review the bank statements and bank reconciliations monthly. The Board treasurer will meet with the Director of Finance on a quarterly basis and will review bank statements, reconciliations and financial statements.

Federal Programs

None

State Programs

None

Section 3 – Summary Schedule of Prior Audit Findings

None

Section 4 – Findings and Questioned Costs

Federal Programs

None

State Programs

None

The YWCA of Eastern Union County, Inc.
Notes to Schedule of Federal and State Financial Assistance
For the year ended December 31, 2020

1. General Information

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") include the federal and state grant activity of the Organization under programs of the federal and state government for the year ended December 31, 2020. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (the "Uniform Guidance"), and State of New Jersey Circular Letter 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (the "Circular"). Because the Schedules present only a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, change in net assets or cash flows of the Organization.

2. Basis of Accounting

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following Uniform Guidance, the Circular, and the State of New Jersey, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost

The Organization has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. Subrecipients

YWCA of Eastern Union County, Inc. provided no federal or state awards to subrecipients during the year.

5. Relationship to Federal and State Financial Reports

The regulations and guidelines governing the preparation of federal and state financial reports vary by agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal and state financial reports do not necessarily agree with the amounts in the accompanying schedules of expenditures of federal and state awards, which is prepared on the accrual basis of accounting explained in Note 2.